

**TOWN OF COULEE DAM**  
**Okanogan County, Washington**  
**January 1, 1993 Through December 31, 1994**

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**Schedule Of Findings**

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1. The Regional Board Of Mayors Should Comply With The Financial Assurance Requirements Of Department Of Ecology

The Regional Board of Mayors (RBOM), established by an interlocal cooperative agreement between the City of Grand Coulee and the Towns of Electric City, Coulee Dam and Elmer City, operates a Municipal Solid Waste Landfill on property owned by Grant County. The RBOM has failed to:

- a. Adequately fund the financial assurance accounts for closure and post-closure costs associated with the landfill from user fees. In 1991, a study was completed which projected the landfill to close in the year 2030. The landfill closure was estimated to cost approximately \$980,389 (in 1989 dollars). As of December 31, 1994, only \$6,347 had actually been dedicated as a reserve for these costs.

The study estimated it would cost \$11,628 per year (in 1989 dollars) after the closure process was complete to monitor the landfill for health hazards. At the time of the study, it was estimated that the site would need to be monitored for 20 years. As of December 31, 1994, only \$10,124 had been reserved for these costs.

The board is not allocating a portion of user fees, instead they are funding an unrestricted trust fund from the four members of the RBOM and the contractor who collects refuse from the surrounding areas. A portion of this trust is allocated annually at the board's discretion to closure and post-closure reserves. Other users of the landfill contribute nothing to this trust.

- b. Modify the closure and post-closure plans when changes in operations will affect the plans. The plan is based on an annual increase in usage of less than 1 percent. The RBOM is accepting waste from new sources outside the county in 1993 and 1994. The RBOM has taken some actions that may increase the landfill capacity, however, the board has not had the operations reviewed to ensure the action is sufficient to offset the increased activity.
- c. Annually adjust the 1989 cost estimates for the effects of inflation. The RBOM has not made any adjustments to the cost estimates for inflation.
- d. Modify the plan to comply with the new requirements of WAC 173-351, effective October 1993. The new WAC requires the post-closure period to be extended to 30 years and provides a required formula for determining the annual contribution to the financial assurance account. Under the formula, assuming the original plan is not changed for increased usage and a 2 percent inflation factor, the 1994 contributions should have been approximately \$39,765 versus the actual increase

of \$9,205 in the reserves.

WAC 173-304-467 (3) states:

Financial assurance account for closure. Each owner or operator of an applicable landfill disposal facility shall establish a financial assurance account in an amount that, over the life of the facility, will accumulate funds to be equal to the closure cost estimate prepared in accordance with subsection (2) of this section unless otherwise specified.

WAC 173-304-467 (2) (b) states:

Each owner or operator shall prepare a new closure cost estimate in accordance with (a) and (c) of this subsection whenever:

(i) Changes in operating plans or facility design affect the closure plan;

(ii) There is a change in the expected year of closure that affects the closure plan . . . .

WAC 173-304-467 (2) (c) states:

Each owner or operator shall review the closure cost estimate annually thirty days prior to the anniversary date of the first closure cost estimate. The review will examine all factors, including inflation, involved in estimating the closure cost. Any cost changes must be factored into a revised closure cost estimate and submit the revised cost estimate to the jurisdictional health department for review and approval.

WAC 173-304-467 (4) and (5) provide the same guidance for the post-closure costs associated with the landfill.

WAC 173-304-467 (6) requires a percentage of the facility user fees to the financial assurance accounts to ensure sufficient funding of the approved closure and post-closure plans.

The RBOM's agreement with Grant County effective from January 1, 1989, through March 23, 1995, requires the regional board to establish a financial assurance account in accordance with WAC 173-304-467 and agree to transfer the account if the board ceases operation of the landfill prior to closure and post-closure requirements being met.

WAC 173-351-500 (2)(a) increases the post-closure period to 30 years.

WAC 173-351-600 (5)(c)(iii) requires the annual payment into the trust fund to be the Current Cost estimate of closure and post-closure, adjusted for inflation, less the amount in the trust, divided by the years remaining in the pay-in period.

The RBOM's failure to comply with the requirements above expose the municipalities which comprise the RBOM to the risk that the landfill will be full without sufficient funds to meet the closure requirements of Department of Ecology, resulting in substantial liability without a funding source. In addition, since Grant County owns the land, Grant County would also be liable for the future closure costs. The RBOM permit to operate the landfill is contingent based on the board's compliance with these requirements.

The Towns of Wilbur, Almira and Creston, Chelan County and City of Chelan are also liable for future funding shortfalls through their agreement for landfill use on a pro rata share and no money has been set aside on their behalf for these costs.

The RBOM has an additional \$195,128 in the trust fund, however, the board has chosen not to reserve these funds for closure and post-closure costs because they are planning to perform the work internally as the need occurs. In addition, the board is aware of the operational changes which will have an impact on the estimated date of closure, but have taken no official steps to revise the plans because they feel other action taken will negate the effects.

We recommend:

- a. The RBOM comply with the agreement with Grant County and WAC 173-304 including updating the plan for changes in operations and revising the trust needs based on inflation.
- b. The RBOM reserve the trust funds held needed to meet the requirements of funding the closure and post-closure based on the revised plans.
- c. The RBOM review the requirements of WAC 173-351 for items impacting the plan and adequately fund the revisions.